

**CHRISTIE LAKE ASSOCIATION INC.
(the "Association")
ORGANIZATION BY-LAW, BY-LAW No. 1**

A by-law relating generally to the transaction of the business and affairs of the Association.

BE IT ENACTED AS A BY-LAW OF THE ASSOCIATION AS FOLLOWS.

WHEREAS *the objects of the Corporation are to represent the interests of its members in matters relating to:*

- a) land use and development on the shorelines of Christie Lake and its islands and preservation of their rural, residential and recreational character.*
- b) protection of the environment of Christie Lake, the Tay River and their shorelines, including particularly the purity and quality of their waters.*
- c) promotion of aquatic and other sporting, cultural and social activities among its members.*
- d) promotion of safety in boating and other activities on the lake.*

INTERPRETATION

1.01 **Definition.** In this by-law and all other by-laws and all resolutions and other proceedings of the Association, unless the context otherwise requires, "Act" means the applicable corporate statute of Ontario together with the regulations made pursuant thereto, and any statute or regulations that may be substituted therefor, as from time to time amended, and words used have the meaning ascribed to them by the Act.

1.02 **"Family"**, for the purpose of family membership shall mean those individuals over the age of 18 years who are related to each other as parent and child or brother and sister and their respective spouses.

1.03 Words of masculine gender shall include feminine gender where the context permits.

BUSINESS OF THE ASSOCIATION

2.01 **Corporate seal.** The Association shall not have a corporate seal, unless and until the board adopts a corporate seal.

2.02 Financial year. Until changed by the board, the financial year of the Association shall end on the 31st day of December in each year.

2.03 Execution of instruments. Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Association by two persons, one of whom holds the office of president, vice-president or director and the other of whom holds one of the said offices or the office of secretary, treasurer, assistant secretary or assistant treasurer or any other office created by by-law or by resolution of the board. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. The board may from time to time adopt policies as to authorized use of the Association letterhead by directors and officers and may adopt other means of authorized communication between the Association and third parties.

2.04 Banking arrangements. The banking business of the Association including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other organizations as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe.

2.05 Head Office. The head Office of the Association shall be in Tay Valley Township in the County of Lanark in the Province of Ontario, and at such place therein as the directors may from time to time determine.

DIRECTORS

3.01 Qualification. No person shall be qualified to be a director if he or she is less than 18 years of age, if he or she is of unsound mind and has been so found by a court in Canada or elsewhere, if he or she is not an individual, or if he or she has the status of a bankrupt. At the time of his or her election, or within 10 days thereafter, and throughout the term of such office in order to qualify, a director must be a member of the Association

3.02 Number of directors. Until changed by special resolution or otherwise in accordance with the Act, the board shall consist of seventeen directors, of whom two fifths shall constitute a quorum for the transaction of business. Notwithstanding vacancies, the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office.

3.03 Election of Directors. The whole board of directors shall be elected annually by the members from among qualified individuals nominated at the meeting.

3.04 Term of office. A directors' term of office shall be from the date of the meeting at which they are elected or appointed until the annual meeting next following or until their successors are elected or appointed.

3.05 Vacation of office. A director ceases to hold office when his or her written resignation is sent or delivered to the Association, or, if a time is specified in such resignation, at the time specified, whichever is later.

3.06 Removal of Directors. The members may, by resolution passed by at least two-thirds of the votes cast at a general meeting of members of which notice specifying the intention to pass such a resolution was given, remove any director before the expiration of his term of office, and may, by a majority of votes cast at that meeting elect any person in his stead for the remainder of his term.

3.07 Vacancies. Vacancies in the board may be filled for the remainder of its term of office from among qualified persons, either by the members at a general meeting called for the purpose or, by the remaining directors if constituting a quorum; otherwise such vacancies shall be filled at the next meeting of members at which directors for the ensuing year are elected. If the number of directors is increased, a vacancy or vacancies in the board of the number of the authorized increase shall thereby be deemed to have occurred which may be filled in the manner above provided.

3.08 Action by the board. The board shall manage the business and affairs of the Association. The powers of the board may be exercised at a meeting at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum remains in office.

3.09 Place of meetings. Meetings of the board may be held at any place in Ontario

3.10 Calling of meetings. Meetings of the board shall be held from time to time at such time and at such place as the board, the president or any two directors may determine.

3.11 Notice of meeting. Notice of the time and place of each meeting of the board may be given by telephone, by email, by fax, or in the manner provided in Section 7.04 to each director not less than 48 hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.

3.12 First meeting of new board . Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the meeting of members at which such board is elected.

3.13 Regular meetings. The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such meetings shall be sent to each director forthwith after being passed but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

3.14 Chairman. The chairman of any meeting of the board shall be the first mentioned of such of the following officers of the Association as have been appointed and who is a director and is present at the meeting: president, or a vice-president. If no such officer is present, the directors present shall choose one of their number to be chairman.

3.15 Votes to govern. At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote.

3.16 Conflict of interest. A director or officer who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or proposed material contract with the Association shall disclose the nature and extent of his or her interest, at the time and in the manner provided by the Act. Any such contract or proposed contract shall be referred to the board or to the members for approval even if such contract is one that in the ordinary course of the Association's business would not require approval by the board or the members. Such a director shall not vote on any resolution to approve the same except as provided by the Act. As used above "contract" includes a transaction.

3.17 Remuneration and expenses. The directors shall not be paid any remuneration for their services as directors provided that a director may be paid reasonable expenses incurred in the performance of his duties.

OFFICERS and COMMITTEES

4.01 Appointment. The board shall from time to time appoint a president, a secretary, and a treasurer and may appoint one or more vice presidents (to which title may be added words indicating seniority or function), and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the Act, delegate to such officers powers to manage the business and affairs of the Association. Except for the president, other officers need not be a director. One person may hold more than one office.

4.02 President. The president shall be the chief executive officer and chief operating officer and, subject to the authority of the board, shall have general supervision of the business of the Association, and shall have such other powers and duties as the board may specify.

4.03 Vice-President. A vice-president shall have such powers and duties as the board or the president may specify.

4.04 Secretary. The secretary shall attend and be the secretary of all meetings of the board and of the members and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; the secretary shall give or cause to be given, as and when instructed, all notices to

members, directors, officers and auditors; the secretary shall be the custodian of all books, papers, records, documents and instruments belonging to the Association, except when some other officer or agent has been appointed for that purpose; and the secretary shall have such other powers and duties as the board or the president may specify.

4.05 Treasurer. The treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Association and monitoring the Association's insurance policies. The treasurer shall render to the board whenever required an account of all the treasurer's transactions as treasurer and of the financial position of the Association. The treasurer shall have such other powers and duties as the board or the president may specify.

4.06 Powers and duties of officers. The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board or the president may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the president otherwise directs. The board may from time to time and subject to the provisions of the Act vary, add to or limit the powers and duties of any officer.

4.07 Term of office. The board, in its discretion, may remove any officer of the Association, without prejudice to such officer's rights under any employment contract or in law. Otherwise each officer appointed by the board shall hold office until his or her successor is appointed or until his or her earlier resignation.

4.08 Conflict of interest. An officer shall disclose his or her interest in any material contract or proposed material contract with the Association in accordance with section 3.16.

4.09 Committees. The Board may from time to time appoint committees and fix their terms of reference and authority. The board may appoint the committee chairmen and direct the committee as to its rules of procedure. In the absence of such direction by the board, each committee shall appoint its own chairman and make its own rules of procedure. The committee chairman and a majority of committee members shall be directors, other committee members need not be directors.

PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

5.01 Limitation of liability. Every director and officer of the Association in exercising his or her powers and discharging his or her duties shall act honestly and in good faith with a view to the best interests of the Association and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director,

officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Association through the insufficiency or deficiency of title to any property acquired for or on behalf of the Association, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Association shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Association shall be deposited, or for any loss occasioned by any error of judgment or oversight on his or her part, or for any other loss, damage or misfortune which shall happen in the execution of the duties of his or her office or in relation thereto unless the same are occasioned by his or her own willful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

5.02 Indemnity. Subject to the limitations contained in the Act, the Association shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the Association's request as a director or officer of a body corporate of which the Association is or was a member or creditor and his or her heirs and legal representatives, against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of being or having been a director or officer of the Association or such body corporate, if:

- (a) he or she acted honestly and in good faith with a view to the best interests of the Association; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

The Association shall also indemnify such person in such other circumstances as the Act permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law.

5.03 Insurance. Subject to the limitations contained in the Act, the Association may purchase and maintain such insurance as the board may determine, for the benefit of any person referred to in section 5.02, against any liability incurred by the person in his or her capacity as a director or officer of the

Association or of another body corporate where he or she acts or acted in that capacity at the Association's request.

MEMBERSHIP

6.01 Eligibility for Membership. Any individual over the age of 18 years is eligible for membership in the Association

6.02 Annual Individual Membership. Any eligible individual who provides the Association with his or her name and current address and pays the annual membership fee from time to time determined by the directors shall automatically become an annual member of the Association entitled to a membership card and that person's name and address shall be recorded in the membership register so long as he or she shall continue to be a member..

6.03 Annual Family Membership. If an individual provides the Association with his or her Family's names and current addresses (Family is defined in section 1.02) and pays the annual family membership fee from time to time determined by the directors, each of those named individuals included in the Family shall automatically become an annual member of the Association entitled to a membership card and his or her name and address shall be recorded in the membership register so long as he or she shall continue to be a member.

6.04 Term of annual membership. The annual membership year shall commence retroactively on January first of the year of admission and end at the close of business of the annual meeting of members in the next calendar year. The board may by resolution declare a period of grace for late payment of annual membership fees during which time annual memberships which otherwise would have lapsed shall continue to be valid.

6.05 Life and Term Members. Other individuals may be admitted to membership in the Association by resolution of the board. The resolution admitting a member may provide membership shall be during the period of tenure of a particular office, or to be for a period of one or more years, or for life and if no period is indicated membership shall be for a term of five years. No membership fees are payable by such life or term members. Members admitted for a term of one or more years shall become members at the time of admission until December 31st of that year and thereafter for the number of calendar years indicated by the board at the time of admission.

MEMBERS MEETINGS

7.01 Annual meetings. The annual meeting of members shall be held at such time in each year and, subject to section 7.03, at such place as the board or the president may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing an auditor and for the transaction of such other business as may properly be brought before the meeting.

7.02 **Special meetings.** The board or the president shall have power to call a special meeting of members at any time.

7.03 **Place of meetings.** Meetings of members shall be in the County of Lanark in the Province of Ontario.

7.04 **Notice of meetings.** Notice of the time and place of each meeting of members shall be given in accordance with the Act not less than 14 days before the date of the meeting, to each director, to the auditor, and to each member whose name and address is entered in the membership register. Notice of a meeting of members called for any purpose other than consideration of the financial statements, election of directors and reappointment of the incumbent auditor shall state the nature of such special business and the text of any special resolution or by-law to be submitted to the meeting. . Notice of the time and place of a meeting of members contained in a newsletter or other correspondence mailed to all members at their recorded addresses shall be sufficient notice of the meeting. No notice need be sent to a member whose recorded address is known to the secretary to be obsolete.

7.05 **Quorum of Members.** Ten members shall constitute a quorum for the transaction of business at a meeting of members.

7.06 **Chairman, secretary and scrutineers.** The chairman of any meeting of members shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: president, or a vice-president who is a member. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the secretary of the Association is absent, the chairman shall appoint some person, who need not be a member, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be members, may be appointed by resolution or by the chairman with the consent of the meeting.

7.07 **Persons entitled to be present.** The only persons entitled to be present at a meeting of members shall be those entitled to vote thereat, the directors and auditors of the Association and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

7.08 **Right to vote.** Every member present at a meeting shall be entitled to one vote on each question arising in the meeting.

7.09 **Votes to govern.** At any meeting of members every question shall, unless otherwise required by the articles or by-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes, either

upon a show of hands or upon a poll, the chairman of the meeting shall not be entitled to a second or casting vote.

7.10 Ballots. On any question proposed for consideration at a meeting of members, and whether or not a show of hands has been taken thereon, the chairman may require a ballot or any person who is present and entitled to vote on such question at the meeting may demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each member present shall be entitled to vote at the meeting upon the question and the result of the ballot so taken shall be the decision of the members upon the said question.

NOTICES

8.01 Method of giving notices. Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a member, director or auditor shall be sufficiently given if delivered personally to the person to whom it is to be given, or if delivered to his or her recorded address, or if mailed to him or her at his or her recorded address by prepaid ordinary or air mail, or if emailed or otherwise sent to him or her at his or her recorded address, or by any other means of prepaid transmitted or recorded communication. Subject to the Act, a notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice sent by means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any member, director, officer, auditor or member of a committee of the board in accordance with any information believed by the secretary to be reliable.

8.02 Omissions and errors. The accidental omission to give any notice to any member, director, officer or auditor, or the non-receipt of any notice by any such person, or any error in any notice not affecting the substance thereof, shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

8.03 Waiver of notice. Any member, or other person entitled to attend a meeting of members may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him or her under the Act, the articles, the by-laws or otherwise. Such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of members or of the board, which may be given in any manner.

GENERAL

9.01 **Repeal Previous By Law 1 of the Association.** By Law No. 1 of the Association previously enacted at the time of incorporation is hereby repealed.

9.02 **Effective date.** This by-law shall come into force when passed by the board in accordance with the Act.

ENACTED BY RESOLUTION PASSED by the board pursuant to the Act this 12th day of July 2003.

President

Secretary

Approved by the members of the Association at their annual meeting held the day of July 2003.

Secretary